8(a) BUSINESS DEVELOPMENT PROGRAM

Fernando J. Guerra

Contracting Officer & Business Opportunity Specialist

Mentor-Protégé Program

- MPP designed to encourage Mentor to provide various forms of assistance to broaden and develop the Protégé
- Assistance may include:
  - technical or management
  - financial assistance
  - assistance in performance of prime contract
- The purpose of the MPA is to enhance the capabilities of the Protégé and improve its ability to successfully compete for contracts

ELIGIBILITY REQUIREMENTS

- Mentor must commit and assist in the development of the 8(a) Participant.
  - Possess favorable financial health, including profitability for the last two years
  - Does not appear on the Federal List of debarred or suspended contractors
  - Possess good character
  - Can impart value to the protégé firm
  - Once approved Mentor must certified annually that it continues to possess good character

ELIGIBILITY REQUIREMENTS

- In order to qualify as a protégé, a Participant must be:
  - Development stage of participation
  - Never receive an 8(a) contract or
  - Have a size that is less than half the size standard corresponding to its primary NAICS code.
  - Must be in good standing with the 8(a) Program.

BENEFITS

- The Mentor and Protégé may joint venture as a small business for any government procurement.
- Mentor may own up to 40% of the Protégé in order to raise capital.
- Notwithstanding the MPA, the Protégé may qualify as a small business for SBA financial assistance
- No affiliation or control may be found as result of this relationship

THE AGREEMENT

- The Mentor/Protégé must enter into an written agreement setting forth an assessment of the Protégé needs and describing the assistance the Mentor commits to provide to address those needs
- The Agreement must be approved by the AA for 8(a) BD.
- The Agreement may be terminated by either party with 30 days advance notice
- The Agreement will be reviewed by SBA annually
- SBA must approved any changes to the MPA

JOINT VENUTRES

If approved by SBA, A participant may enter into a joint venture agreement with one or more small businesses

JOINT VENTURES

- JV is permissible only where an 8(a) concern lacks the necessary capacity to perform the contract on its own and the agreement is fair and equitable and will benefit the 8(a) concern.
- However, if the 8(a) concern brings little to the JV relationship in terms of resources and expertise other than its status as an 8(a), SBA will not approve the JV

JOINT VENTURES

- Size: A JV of one or more 8(a) Participant and one or more other business concerns may submit an offer/bid as a small business for a competitive 8(a) procurement so long as each concern is small under the size standard corresponding to the NAICS code assigned to the contract.
- Provided:

JOINT VENTURE

- At least one 8(a) firm is half the size standard assigned to the procurement
- The procurement with a revenue base size standard assigned exceeds half the size standard to the corresponding NAICS code
- For procurement with an employee base size standard, the procurement exceeds $10 million

JOINT VENTURE

- For sole source and competitive 8(a) procurements that do not exceed the dollar levels identified above, an 8(a) concern entering into a JV with another concern, will be considered affiliated.

- Notwithstanding these provisions, a JV between a protégé and a approved mentor will be deemed small.

JOINT VENTURE

- Every joint venture agreement to perform on an 8(a) contract, must contain certain provisions as required by the regulation 13 CFR 124.513
- SBA local office will review each joint venture agreement for approval prior to award to the contract

TEAMING AGREEMENTS

- Contractor team arrangement means an arrangement in which two or more companies form a partnership or joint venture to act as a potential prime contractor or

- A potential prime contractor agrees with one or more other companies to have them act as its subcontractors under specified contract or acquisition

LIMITATIONS OF SUBCONTRACTING

- IAW 13 CFR 125.6 in order to be awarded a full or partial small business or an 8(a) contract or an unrestricted procurement where a concern claimed 10% SDB price evaluation preference, a small business concern must agree that:

LIMITATIONS ON SUBCONTRACTING

- In the case of services, the concern will perform at least 50% of the cost of the contract incurred for personnel with its own employees.

LIMITATIONS ON SUBCONTRACTING

- In the case of a contract for supplies or products (other than procurement from a non-manufacturer in such supplies or products), the concern will perform at least 50% of the cost of manufacturing the supplies or products (not including the cost of supplies)

LIMITATIONS ON SUBCONTRACTING

- In the case of a contract for general construction, the concern will perform at least 15% of the cost of the contract with its own employees (not including the cost of materials)

LIMITATIONS ON SUBCONTRACTING

- In the case of a contract for construction by a special trade contractors, the concern will perform at least 25% of the cost of the contract with its own employees (not including the cost of materials)